

ANNUAL REPORT 2010/11



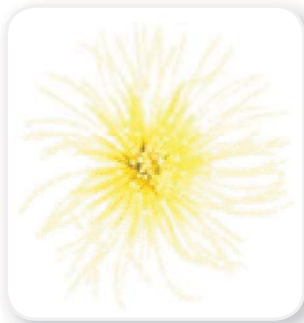
KANNALAND
MUNISIPALITEIT / MUNICIPALITY



COAT OF ARMS RATIONALE

Kannaland Municipality is named after a plant called 'kanna' in Khoi. Indigenous to our area, this is a lush, low-growing succulent that is commonly known as Kanna, Canna, or Kougoed (which means chewable or something to chew). Kanna has been used by the Hottentot people throughout history to improve frame of mind.

The logo of Kannaland Municipality includes the following elements:



The Kanna flower, unique to our district and after which our district is named.



A light green swoosh, representing Route 62 on which we are situated, as well as our embracing of the community.



The K symbol, re-inforcing our name and our bond to the community.

“ The use of shades of green reflects the vegetation that surrounds us in our lush river valleys, highlights the vital importance of sensitivity to environmental and ecological issues in our area, and indicates our commitment to growth and productivity.”

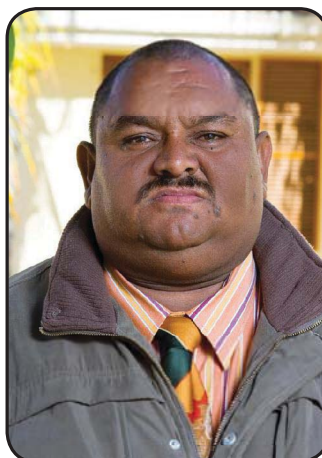
MAYOR AND MAYORAL COMMITTEE:



Councillor Jeffrey Donson
Executive Mayor



Councillor Anthonie Phillip
Deputy Executive Mayor



Councillor Hyron Ruiters
Speaker



Councillor
Meshoa Werner
ICOSA



Councillor
Leona Willemse
DA



Councillor
Lorraine Claassen
ANC



Councillor
Albie Rossouw
DA

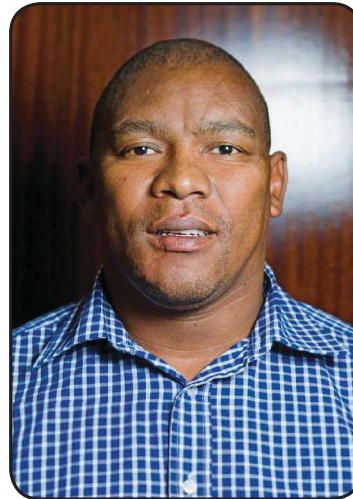
MANAGEMENT TEAM:



Mome Hoogbaard
Municipal Manager



Nigel Delo
Chief Financial Officer



Hendrik Barnard
**Manager Corporate
Services**

TABLE OF CONTENTS

| | PAGE NO. |
|---|----------|
| GLOSSARY OF TERMS | |
| CHAPTER 1 -----INTRODUCTION AND MUNICIPAL OVERVIEW | |
| 1.1 Mayor's Foreword | 9 |
| 1.2 Municipal Manager's Foreword | 10 |
| 1.3 Service Delivery Highlights | 11 |
| 1.4 Demographic Information | 14 |
| 1.5 Municipal Challenges | 15 |
| 1.6 Political Governance Structures | 17 |
| 1.7 Administrative Governance Structure | 20 |
| 1.8 Public Accountability | 22 |
| 1.8.1 Ward Committees | 22 |
| CHAPTER 2 -----PERFORMANCE HIGHLIGHTS | |
| 2.1 Performance of National Key Performance Indicators | 24 |
| 2.2 Development Priority Areas | 24 |
| 2.3 Basic Services Delivery | 25 |
| 2.3.1 Provision of free basic services | 25 |
| 2.3.2 Access to basic municipal services | 25 |
| 2.3.3 Summary of backlogs to be addressed | 26 |
| 2.3.4 Capital budget spent on municipal services | 27 |
| 2.3.5 Spending on capital budget | 27 |
| 2.4 Housing | 27 |
| 2.5 Municipal infrastructure and other grants | 28 |
| 2.6 Summary of capital projects | 28 |
| 2.7 Local Economic Development | 29 |
| CHAPTER 3 -----ORGANISATIONAL DEVELOPMENT | |
| 3.1 Introducing the municipal workforce | 32 |
| 3.1.1 Approved and vacant posts on post levels | 32 |
| 3.1.2 Appointments | 33 |
| 3.2 Capacitating the Municipal Workforce | 34 |
| 3.3 HR Policies | 34 |
| 3.4 Workforce profile and employment equity | 35 |
| CHAPTER 4 -----FUNCTIONAL SERVICE DELIVERY REPORTING | |
| 4.1 Functional breakdown per department | 37 |
| 4.2 Community Services | 37 |
| 4.3 Technical Services | 38 |
| 4.4 Corporate Services | 45 |
| 4.5 Financial Services | 45 |
| CHAPTER 5 -----FINANCIAL PERFORMANCE | |
| 5.1 Operating results | 47 |
| 5.2 Outstanding debtors | 48 |
| 5.3 Viability indicators | 49 |
| 5.4 Audit outcomes | 49 |
| 5.5 Equitable share vs total revenue | 50 |
| 5.6 Repairs and maintenance as percentage of OPEX | 50 |
| 5.7 Capital funded by source | 50 |

PAGE NO.

CHAPTER 6 -----FINANCIAL STATEMENTS

| | |
|---|----|
| Report of the Executive Manager: Financial Services/CFO | 53 |
| General Information | 57 |
| Approval of the Financial Statements | 58 |
| Report of the Auditor General | 59 |
| Statement of Financial Position | 71 |
| Statement of Financial Performance | 72 |
| Statement of Changes In Net Assets | 73 |
| Cash Flow Statement | 74 |
| Accounting Policies | 75 |
| Notes to the Financial Statements | 76 |

APPENDICES - Audited

| | | |
|---|--|-----|
| A | Schedule of External Loans | 138 |
| B | Segmental Statement of Financial Performance - Municipal Votes | 139 |
| C | Segmental Statement of Financial Performance | 140 |
| D | Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003 | 141 |



INTRODUCTION

CHAPTER

1

CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

1.1 Foreword/Voorwoord



Raadslid Jeffrey Donson
Uitvoerende Burgermeester

Dit is 'n eer vir my om hierdie jaarverslag aan u voor te lê soos vereis word deur die Munisipale Finansiële Bestuurswet (Municipal Finance Management Act). Die verslag het dit ten doel om al die hoogtepunte, die prestasies, sowel as om die tekortkominge uiteen te sit sodat ons as Raadsplanne in plek kan stel om die munisipaliteit en sy dienste te verbeter.

As inkomende Raad het ons onmiddellik stabiliteit gebring na die munisipaliteit deur al die senior bestuur poste te adverteersodat die inkomende Raad met sekerheid die uitdagingssaam met u oor die volgende vyf jaar kan aanpak.

As Burgermeester het ek'n persoonlike visie om die negatiwiteit waarmee Kannaland in die verlede bejeën was, om te draai. Soos u weet, wanneer 'n mens 'n skip van koers wil verander, is dit 'n langsame proses en verg dit almal se toegewydheid, vanaf die persoonel tot selfs die personeelwieskoonmaak en mees belangrik u, die inwoner van Kannaland. Derhalwe wil ek u uitnooi om die jaarverslag te bestudeer en as u enige insette het oor hoe ons die munisipaliteit kan verbeter, om dit onverwyld aan my te stuur of om 'n afspraak te maak.

Met die begroting tot sy beskikking was dit onmoontlik om kop bo water te hou, het ons nogsteeds voorsiening gemaak vir die lede van ons gemeenskap wie baie arm is en nie dienste kan bekostig nie. Derhalwe wil ons u bemoedig om te betaal virdienste wat gelewer word. Werkloosheid in onsgemeenskap was een van ons grootste uitdagings, soveel so dat plaaslike owerheid 'n belangrike bron van werkskepping geraak het, al was dit op 'n tydelike basis.

Die munisipaliteit het uitdagings in die gesig gestaar soos befondsing wat aan die afname was, tekort aan finansies en agterstand met behuising, om gehalte dienste te lewer, en 'n gebrek aan stelsels.

We also realise that none of us can rest or sleep peacefully until every Kannalander can say I can see a better future, I can find a job, I can learn a skill. Hard work will enable me and my family to have a shelter and food. If my children work hard at school and university, they will have a better future and a thousand opportunities.

Laat my toe om die toegewyde gemeenskap, raadslede (voormalige and huidige) amptenare en alle rolspelers vir u deurlopende ondersteuning.

Ter-afsluiting is ek ook verseker van die toegewydheid van die nuwe bestuurspan en ek is vol vertroue dat hulle die kwaliteit van diens aan die inwoners van die breë Kannaland sal lewer. Ek bly ook vasbeslote dat die munisipaliteit sal aanhou om voort te bou om nouer samewerking met alle gemeenskapsvennote en inwoners en om te verseker dat 2012 al die ander jare sal oortref.

Jeffrey Donson
Uitvoerende Burgermeester

1.2 Municipal Manager's Foreword

As a management team we have moved in swiftly to ensure that basic services are not interrupted, that in addition to the policy framework being put into place, that the municipality complies with the very basic things. This is an important methodology because we must be able to get the small basic things right in order to turn the municipality around. The Kannaland Municipal area, whilst it has its fair share of challenges, should rather be seen as an opportunity and this is the outlook of the current management team.

During January to February 2011, a lot of time and energy was spent in getting the municipality to comply with various legislation and Council adopted a long list of policies with which to tighten up the corporate governance management of the municipality. The revision of the turn-around strategy was used as instrument to manage the challenges. During the SCOPA hearing held in March 2011 this provincial oversight body expressed satisfaction with the progress made in turning around the municipality.

Whilst the infrastructure backlog remains a problem which must be addressed, progress has been made in laying the basis for a gradual turnaround through partnerships and closer cooperation between provincial and national government which can be an important catalyst to many of the problems. The area still remains a growing tourism destination to be seen from the growing number of outdoor events the area hosts and we need to build on our marketing and promotion strategy, to not just attract visitors to the area, but also spread the benefits of tourism to all communities.



Morne Hoogbaard
Munisipale Bestuurder

The relationship between financial management and viability remains a challenging factor and the focus for the next financial term will be on maintaining a balance between financial management and viability. The focus on financial viability will be on revenue enhancement including debt management. As we rightfully enjoy and take pride in our achievements, we know that we must extend the same extraordinary efforts to address our critically social and economic challenges:

- We will be ambitious yet realistic.
- We will be bold yet pragmatic.
- We will be creative and inventive yet we will build sound and secure foundations.

We know that the resources that we have at our disposal belong to the people, if we do not use them wisely and sensibly, our contract with the people is eroded.

I would like to give our commitment on behalf of the staff, that in joining hands with the Mayor and his team, requesting that you also join our hands in creating a compelling future for Kannaland which brings out the best in all of us.

Morne Hoogbaard
Municipal Manager

1.3 Service Delivery Highlights and challenges

During December 2010, the Council of the Kannaland Municipality took the step to suspend the Municipal Manager and Chief Financial Officer (CFO) and tasked the administration to draft a comprehensive turnaround strategy which would seek to turn the tide for the municipality by creating a structured pathway along which the municipality could restore service delivery and the confidence of the staff, public and rate-payers in the municipality.

The first phase has seen an emphasis on compliance at a financial and corporate governance level, in ensuring that the municipality complies with minimum operational and legislative requirements, ensuring that the policy environment addresses service delivery in the short to long term. This strategy, which was adopted by the Council of the Kannaland Municipality on Thursday 10 March 2011, seeks to ensure that the Kannaland Municipality complies with financial management, service delivery and good corporate governance. Some of the major challenges have undoubtedly been the low staff morale, a lack of confidence by the public in the municipality, as well as a lack of financial resources. Since the implementation of this Turnaround Strategy, there has been a dramatic improvement in the goodwill displayed by the public in response to the impact made by the Council and management team within a relative short period of time.

Implementation of Turnaround Strategy:

| INTERVENTION | ROLEPLAYERS | DATE FINALISED |
|---|---|--|
| Preparation of the Adjustment Budget 2010/2011. | Management, Council | January 2011 |
| Establishment of the Supply chain Management System-Bid Committee structure, SCM Policy | Delo, Management | January 2011 |
| Appointment of Bid Committee Sub Committees | Management | January 2011 |
| Submission of Section 71 and 72 Reports. | Management, Council | February 2011 |
| Establishment of GRAP unit to work towards resolving negative audit findings | Delo, Management, finance department | February 2011 |
| Adoption of 2009/2010 Annual Report | Management, Council | January 2011 |
| Establishment of the Budget Steering Committee | Delo, Management, finance department | January 2011 |
| Filling of the position Manager Corporate Services | Management, Council | Council appointed incumbent 15 December 2011. Incumbent assumed position 1 February 2011 |
| Adoption of revised Macro Organogram, and re-alignment of functions. | Management, Trade unions, Council | February 2011 |
| Adoption of several financial management policies | Delo, Management, finance department | January 2011 |
| Submission of all Section 36 deviations | Council, Delo, Management, finance department | January 2011 |
| Implementation of Supply Chain Management delegations | Delo, Management, Finance Department | January 2011 |
| Implementation of GRAP | Planning meeting– SAMRAS/ MeyerOtto/Mubesko consortium/Louise Hoek (Eden District Municipality)/Kannaland personnel 1st GRAP meeting: 16 Feb 2011: 12:00 | 31 Jan 2011 1 st Meeting was held on 16 February 2011 |
| | 2nd GRAP meeting: 1 March 2011: 12:00 | 2 nd Meeting was held on 1 March 2011 |
| | 3rd GRAP meeting: 17 March 2011: 10:00 | 17 March Meeting scheduled |

| | | |
|---|---|-----------------------------------|
| Section 71 Reports | Up to date until 31 January 2011 | Up to date to February 2011 |
| Section 72 Reports (Mid Year Budget) | Compiled and adopted by Council | February 2011 |
| Cash Management Weekly cash management | Delo, Management, finance department | From February 2011 |
| Credit Control | Formal notices sent to non-payers In process of blocking conventional electricity/water meters | Implemented as from February 2011 |
| Bulk Electricity Meter Reading | Software purchased ensure meters delivered accurately and timeously: Monthly | January 2011 |
| Update of leave register | Human Resources | 03 March 2011 |
| Implementation of Collaborator | All staff online from 14 February 2011 | February 2011 |

Municipal highlights

During the year under reflection the Kannaland Municipality has gone through both low points and high points, notably:

- Suspension of Municipal Manager and Chief Financial officer and subsequent termination of their services.
- Adoption of 2011/2012 IDP Review.
- Adoption of 2011/2012 Budget.
- Handover Report for incoming Council.
- Adoption of several policies around financial management and corporate governance.
- Successful audit by the Auditor General with the AG expressing satisfaction that the support they have received has **been better than in previous years.**
- Risk Identification process resulting in a Risk Management Plan and Charter..
- Development of Fraud Charter.
- Establishment of Audit committee after the previous Audit Committee failed to discharge its responsibilities.
- Establishment of Supply Chain Management Unit and policy.
- Adoption of Turnaround Strategy.
- Development and Adoption of 2009/2010 Annual Report.
- Finalisation of Macro Organisational Structure in alignment with the organizational needs.



Integrated Development Planning

The essence of development planning as performed by local government must be to deliver on community-driven goals through the application of appropriate methods within a capacity framework originating from, and created within, available resources. The Municipal Systems Act (Act 32 of 2000) provides the requirement to create a single, inclusive and strategic plan by which local government can become the custodian of local development planning. Again, by virtue of measurement, the current state of affairs with regard to the adoption and application of this method, and the effect on co-operative governance, is determined.

The following table gives an indication of the compliance to legislative requirements with regard to the formulation of the Integrated Development Plan review plan:

| IDP approved by Council and implemented | Is the approved IDP seen as the single, inclusive and strategic plan for the municipality | Was the IDP prepared within set timeframes | Does the IDP include all core components (MSA) | Were community needs prioritised at ward level | Was the SDF approved (date) prior to IDP approval by Council | Did the LGMTEC engagements effect any changes in your draft IDP |
|---|---|--|--|--|--|---|
| YES | YES | YES | YES | YES | (MAY '07) | YES |

Kannaland Municipality conforms with all statutory requirements, and it can be assumed that sound implementation of the proposals as stipulated in the IDP should result in gigantic strides towards attaining Kannaland's visionary statement. Due to limited capacity and resources, Eden District Municipality provided support with the drafting of the IDP Review 2011/2012.

Main considerations during the IDP Review process

The main consideration during our IDP process relates to the approved projects which addresses and reflects the changing needs of the public, the officials and the Council. The biggest factor will always be the availability of capital funds within the municipal budget. The other considerations during the 2010/2011 IDP process were:

- Provision of basic services
- Prioritisation per ward, and the
- Available Funding streams

Collaboration within the Eden District

Ongoing collaboration between the different spheres of government is important for successful implementation of the IDP. Every effort is made so that the local development plan speaks to the objectives, plans and programs of the Eden District Municipality. This process is facilitated by the Eden District Municipality IDP Forum, in which all the B-municipalities in the district are represented.

The District IDP Framework determines that the IDP process on both district and local level should take cognizance of the policies and principles for integrated development in Eden as a whole. That particular policy and principles, jointly debated by and decided on by councillors, heads of departments and senior staff members of both the district and the local municipalities, were endorsed by the general public through a process of public engagement.

Overview of the Municipality

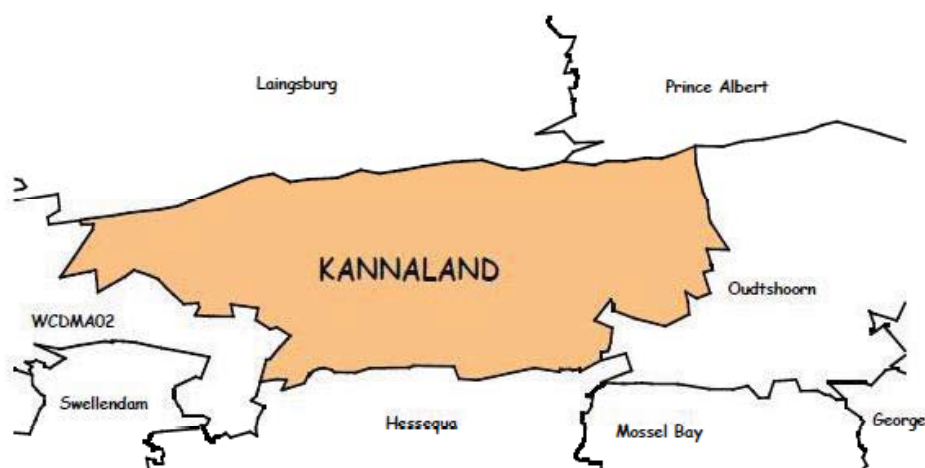
The Status Local Government Report (COGTA:2009) classifies Kannaland as a classification 3 municipality which is the second highest performing group of municipalities. In accordance with this classification, the majority of these municipalities fall outside of the disestablished former apartheid Bantustans. These municipalities tend to consist of commercial farming areas, are supported by small towns, smaller mining towns and/or semi desert areas. The same report lists also Kannaland as one of 64 municipalities which is under financial distress and which has received an audit disclaimer from the Auditor General.

1.4 DEMOGRAPHIC INFORMATION

The Kannaland area is bordered to the west by Montagu and Swellendam magisterial district boundaries and to the east by the Oudtshoorn magisterial district boundary. The Kannaland municipal area spans 4 758m² kilometres and extends over a distance of 135 km east - west and 45 km north - south. The Kannaland Municipality lies between two mountain ranges, the Swartberge and Anysberg. Kannaland Municipality is situated within the area of jurisdiction of the Eden District Municipality and includes the towns of Ladismith, Calitzdorp, Zoar and Van Wyksdorp. Both the administrative and legislative seats of the Kannaland Municipality are situated in Ladismith. The name Kannaland is derived from the Kanna plant or *Salsola-phylla* (River Ghana), which is indigenous to this region.

Population

According to Census Survey 2006, the total population of Kannaland Municipality was estimated at approximately 26 203 in 2006 and projected to be 28 367 after five years and 30 710 after ten years. The total number of households approximately 5 934 households in 2001 and 6 420 in 2007 (Census 2007).



The Kannaland demographic profile narrowly resembles the profile of the rest of the Eden District Municipality in terms of the age proportion of the total population. The 0-14 and 15-34 age groups account for 60 per cent of the population, while the 35-64 and 65 plus accounts for the remaining 40 per cent. Kannaland hosts 5 per cent for each of the age cohorts of 0-14, 15-34 and 35-64 years, and 6,0 per cent of the elderly within Eden. Given the youthful nature of the population (more than 60% of the total population), education, health, and in particular employment provision, remain a priority.

Notably out of the fifteen poorest wards in the Western Province, four are to be found in the Kannaland area, they being Ward 1 Zoar (Hoeko), Ward 2 Calitzdorp, Ward 3 Van Wyksdorp and Ward 5 which includes Nissenville/Ladismith farms.



Ward demarcation:

Under the post-2011 demarcation Kannaland has been broken up into the following wards:

| WARD | AREAS |
|------|--|
| 1 | Hoeko, Opsoek, Huisrivier, Zoar, Amalienstein |
| 2 | Calitzdorp, Bergsig, St Helena |
| 3 | Van Wyksdorp, Groenfontein, Warmbad, Kruisrivier, Uitvlug, Gamka –Oos en Wes |
| 4 | Ladismith |
| 5 | Nissenville, Voorbaat, Kerkplaas, Dankoord, Algernyskraal |

The total number of households (STATS SA 2007) is 6420 with an estimated population of 26 467.

| Number of Households | Total Population | African | Coloured | Indian | White |
|----------------------|------------------|------------|----------------|-----------|------------|
| 6420 | 26 467 | 659 (2.5%) | 22 362 (84.5%) | 24 (0.09) | 3422 (13%) |

DEMOGRAPHIC STATISTICS

| Housing backlog (2009) | Unemployment rate (%) | Proportion of households with no income (%) | Skills prop. of pop. – Low skilled em- ploy (%) | HIV/AIDS prevalence 2005 (%) | People older than 14 years illiterate (%) | Urban/ rural household split (%) |
|--|-----------------------|--|--|------------------------------|---|----------------------------------|
| Calitzdorp 161 Ladismith 789 Wyksdorp 171 Zoar=271 Czd=360 | 23.5 | 8% earn less than R 1000 per month 21% fall within the range R1 000 to R 2500 per month | 51.4 % Low skilled 33.8% skilled 14.8 % High skilled | 2.1% | 34% | 32.1 % Rural 67.9% urban |

1.5 MUNICIPAL CHALLENGES

The main challenges which the municipality faces are:

- Limited bulk water storage capacity in the municipal area
- Utilizing opportunities posed by Local Economic Development and tourism development
- High levels of unemployment as a result of majority of population being dependant on seasonal income
- Service delivery backlogs around electricity and bulk water infrastructure
- HIV/AIDS and TB and its impact on communities
- Securing government grants to attend to mandate of effective service deliveryDespite the notable progress made during the 2010/2011 financial year, the Municipality is acutely aware of the many challenges that await, as listed below.
- Managing the declining water resources.
- Lagging infrastructural backlogs around roads, water and housing.
- Reduce the outstanding accounts and create culture of payment. R50 million)
- Create a culture of providing quality services to residents.
- drought and pursuing drought relief assistance from national government.
- Maximising the legacy of 2010 FIFA World Cup through a sustained marketing campaign.
- Prioritising housing reducing the housing backlog through the provision of quality sustainable human settlements.
- Developing ward-based profiles which include social infrastructure backlogs in order to improve the quality of information available.
- Focusing on combating and preventing TB, HIV and AIDS.

- Communicating more, and more effectively, with the residents of the Kannaland Municipality
- Develop a shared long term vision plan for the Kannaland Municipality.
- Focus on building the tourism potential of the area, both its people and its infrastructure

| CHALLENGES | ACTIONS TO ADDRESS |
|---|--|
| Employment and job creation | |
| Being one of the poorest municipality of the Western Cape | Service delivery compacts with provincial, national and parastatals |
| | Retention staff, attracting skilled human resource |
| Socio Economic | |
| Unemployment | Socio Economic Strategy Indigent Policy Local Economic Strategy |
| Infrastructure and backlogs | |
| Infrastructure: Energy Efficiency Program | Revision of Infrastructure Masterplans During the 2010/2011 Kannaland Municipality has received R 6 million for Energy savings program of which R 2 500 000.00 has been spent on 243 streetlights, 100 lights in municipal buildings, 22912 bulbs for homes and 45 lights at sport grounds. Through this program the contractor has provided jobs for 4 people for six months and 36 people for 2 months. |
| Skakeltuie by taxi staanplek | This project has been financed by Kannaland Municipality and has been planned over two financial years. Tenders have been awarded to service providers and goods have already been procured. R 263 has already been paid out. |
| Backlogs | Ladismith – The low tension networks are old, must be replaced to make provision for the capacity of the cbd to plan for growth. Calitzdorp – The supply to this town is too low and consequently an application must be submitted to ESCOM for increased supply. The substation cannot handle the increased supply which is very much the same for high and low tension network. An application has been submitted with the department Energy for upgrades |
| Challenges | |
| Transportation | |
| Poor transport infrastructure | Development of Transport Master Plan |
| | Alignment of Transport Plan with LED (inclusive of Tourism) and Spatial Development Plan |
| Housing | |
| Very little infrastructure Lack of community participation with project planning Availability of suitable land stock for housing Inadequate water storage capacity in Zoar | Reprioritize MIG funding to provide for infrastructure Strengthening IDP, ward committees processes Audit of Council property and prioritization of land use Alignment with Spatial Development Plan |
| Social and community development | |
| Lack of human capacity | Better utilization of Community Development Workers |

1.6 POLITICAL GOVERNANCE STRUCTURES

The political oversight role resides within the Municipal Council. In terms of the Sections 79 and 80 of the Municipal Structure Act (Act 117 of 1998) Kannaland has established three sub-committees to assist Council in carrying out its responsibilities and mandates. These committees functioned as follows:

Council: For the period: 1 July 2010 to 18 May 2011

| Name of Councillor | Capacity | Political Party | Ward/ PR | S 79 committee |
|--------------------|--------------|---------------------------------|----------|-------------------------------------|
| N Valentyn | Mayor | National Peoples Party | Ward | Finance |
| R Rademeyer | Deputy Mayor | National Peoples Party | PR | Administration |
| M Barry | Speaker | African National Congress ANC | Ward | |
| C Adams | Councillor | Independent Democrats | PR | Administration, Finance & Technical |
| J Donson | Councillor | Independent Civics Organisation | Ward | Finance & Technical |
| D Esau | Councillor | African National Congress ANC | Ward | Administration, Finance & Technical |
| AA Ewerts | Councillor | National Peoples Party | PR | Administration & Technical |
| WC Koenze | Councillor | Democratic Alliance | Ward | Finance |
| L Willemse | Councillor | Democratic Alliance | PR | Technical |

| Meeting dates | Number of reports submitted to council |
|---------------|--|
| 26/7/2010 | 4 |
| 20/10/2010 | 17 |
| 4/11/2010 | 3 |
| 7/12/2010 | 12 |
| 13/12/2010 | 1 |
| 15/12/2010 | 6 |
| 23/12/2010 | 7 |
| 7/1/2011 | 10 |
| 17/1/2011 | 6 |
| 28/1/2011 | 3 |
| 9/2/2011 | 8 |
| 10/3/2011 | 19 |
| 30/3/2011 | 14 |
| 7/4/2011 | 3 |
| 20/4/2011 | 12 |



Section 79 portfolio committees

Name of committee: Administration 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|--------------------|-------------|---------------|--|
| AA Ewerts | Chairperson | Nil | |
| C Adams | | | |
| R Rademeyer | | | |
| D Esau | | | |

Name of committee: Finance 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|--------------------|-------------|---------------|--|
| N Valentyn | Chairperson | Nil | |
| WCKoenze | | | |
| J Donson | | | |
| D Esau | | | |
| C Adams | | | |

Name of committee: Technical 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|--------------------|-------------|---------------|--|
| D Esau | Chairperson | Nil | |
| L Willemse | | | |
| AA Ewerts | | | |
| C Adams | | | |
| J Donson | | | |

Name of committee: Audit Committee (1/7/2010 – 4 November 2010)

| Name | Capacity | Meeting dates | Number of reports submitted to council |
|-------------------|-------------|---------------|--|
| Adele Potgieter | Chairperson | 9/8/2010 | 1 |
| Albie Rossouw | | | 10 |
| Freddie la Grange | | 18/9/2010 | |
| Sam Duiker | | | |

Name of committee: Audit Committee (9/3/2011 -

| Name | Capacity | Meeting dates | Number of reports submitted to council |
|--------------|-------------|------------------------------------|--|
| J Stoffels | Chairperson | 9/3/2011 24/3/2011 28/6/2011 | 9 |
| A Dippenaar | | | 4 |
| E Hendricks | | | 7 |
| MM Hoogbaard | | | |

Name of committee: Mayoral Committee 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|--------------------|--------------|--|--|
| N Valentyn | Mayor | 29/7/2010 3/9/2010 23/11/2010 15/12/2010 26/1/2011 22/2/2011 20/4/2011 | 18 19 40 15 2 8 6 |
| R Rademeyer | Deputy Mayor | | |
| M Barry | Speaker | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Council: 18/5/2011 –

| Name of Councillor | Capacity | Political Party | Ward/ PR | S 79 committee | Constituency |
|--------------------|--------------|-----------------|----------|----------------|--------------|
| J Donson | Mayor | ICOSA | Ward | | |
| PJ Antonie | Deputy Mayor | ANC | PR | Technical | |
| HD Ruiters | Speaker | ICOSA | Ward | Administration | |
| ML Claassen | Councillor | ANC | PR | | |
| WP Meshoa | Councillor | ICOSA | Ward | | |
| AJ Rossouw | Councillor | DA | Ward | | |
| L Willemse | Councillor | DA | PR | | |

| Meeting dates | Number of reports submitted to council |
|---------------|--|
| 27/05/2011 | 9 |
| 06/06/2011 | 11 |

Section 79 portfolio committees

Name of committee: Administration 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|-------------------------|-------------|---------------|--|
| HD Ruiters | Chairperson | Nil | |
| (members to be decided) | | | |

Name of committee: Technical 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|-------------------------|-------------|---------------|--|
| PJ Antonie | Chairperson | Nil | |
| (members to be decided) | | | |

Name of committee: Mayoral Committee 1/7/2010 – 18/5/2011

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|--------------------|--------------|---------------|--|
| J Donson | Mayor | 28/06/2011 | 19 |
| PJ Antonie | Deputy Mayor | | |
| HD Ruiters | Speaker | | |

Name of committee: Oversight Committee

| Name of councillor | Capacity | Meeting dates | Number of reports submitted to council |
|--------------------|-------------|---------------|--|
| AJ Rossouw | Chairperson | Nil | |
| ML Claassen | | | |
| WP Meshoa | | | |

Councillor representation on external bodies / boards

- Allan Blyth Hospital Councillor Willem Koenze
- Ladismith Tourism Bureau Councillor Willem Koenze

These Standing/Portfolio Committees are:

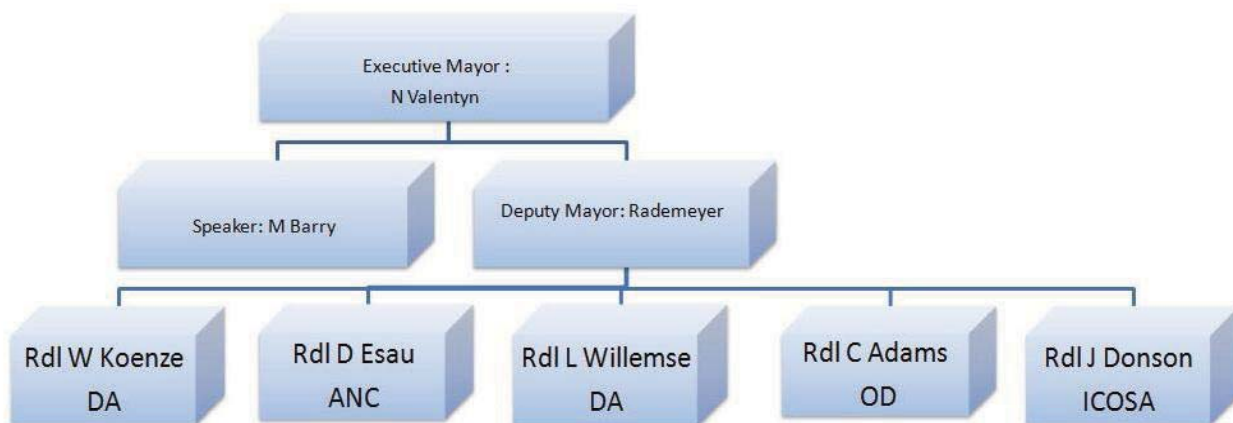
- Financial Services Committee
- Corporate Services Committee, and
- Technical Services Committee.

The Executive and Council function relates to all activities and costs associated with mayoral, councillor and committee expenses and governance. This function enables the Executive to exercise its legislative authority and to use the resources of the municipality in the best interest of the community. The prime objective of Council is to provide democratic and accountable governance, to encourage the involvement of the community, and to play an oversight role to ensure that municipal services are rendered to the community in a financial and environmentally sustainable manner.

1.7 ADMINISTRATIVE GOVERNANCE STRUCTURES

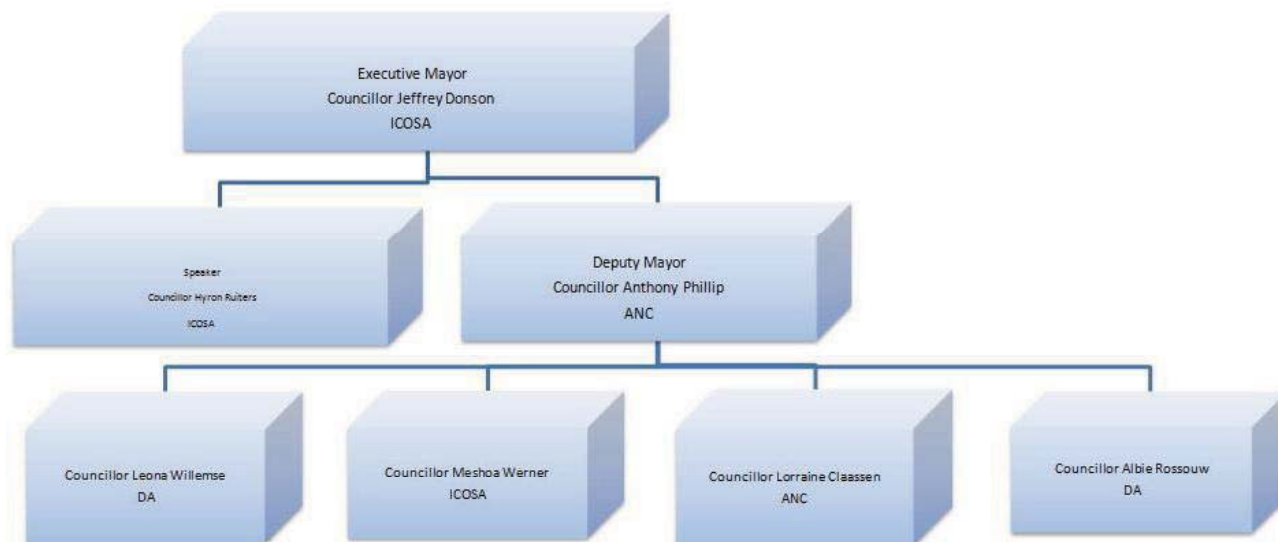
It should be noted that the local government elections took place on 18 May 2011 and which brought about a change in the political administration. Up to 18 May 2011 the council was composed as follows:

Up to May 2011

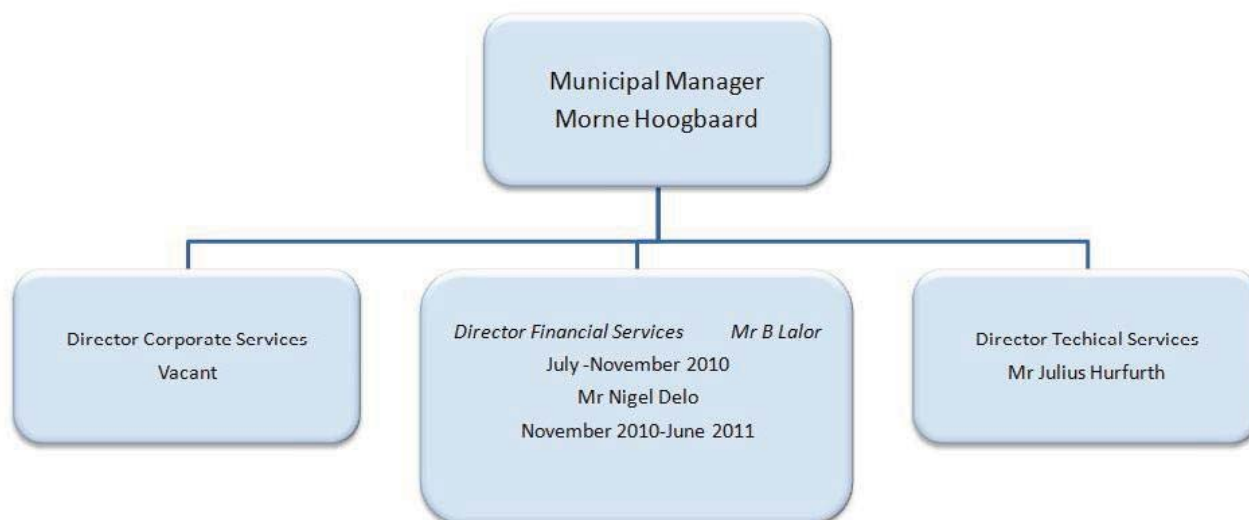


As from the date when the new council was sworn in, it constituted it was constituted as follows:

From May 2011



ADMINISTRATIVE:



Performance Contracts:

| Name of sec 57 Official | Department | Performance agreement signed (Yes/No) |
|-------------------------|----------------------------|---------------------------------------|
| Kenny de Lange | Municipal Manager | No |
| Brendan Lalore | Chief Financial officer | No |
| Julius Herfurth | Manager technical Services | No |
| Vacant | Corporate | No |

1.8 PUBLIC ACCOUNTABILITY

1.8.1 Ward committees

Ward 1

| Name of representative | Capacity/ entity representing | Meeting dates |
|------------------------|-------------------------------|--|
| Clr M Barry | Chairperson | 16 Aug 2010 18 Oct 2010 7 Feb 2011 |
| Charl Nel | Agriculture | |
| Willem Nel | Agriculture | |
| W M Opperman | Social Development | |
| Christel Johannes | Education | |
| Joseph Davids | Zoar Civic | |
| Phillip Antonie | Zoar Health & Welfare | |
| Dianne Hardien | Health | |
| Ronnie Claassen | CDW | |
| Caleb Januarie | CDW | |

Ward 2

| Name of representative | Capacity/ entity representing | Meeting dates |
|------------------------|------------------------------------|---------------|
| Clr N Valentyn | Chairperson | 8 Feb 2011 |
| Willem Benjamin | Sport | |
| Ilse Wyatt-Goodall | Individual | |
| Cliff Maclarty | Kannalandse Belastingbetalers Unie | |
| Britte Barry | Museum | |
| Marosa Valentyn | Helpmekaar Advice Office | |
| Phillip Arendse | Rugby | |
| Erika Calitz | Tourism | |
| Jan Claasen | Individual | |
| Mara Smit | ATKV | |
| Anthony Everts | Councilor | |

Ward 3

| Name of representative | Capacity/ entity representing | Meeting dates |
|------------------------|-------------------------------|--|
| Clr D Esau | Chairperson | 20 Oct 2010 18 Aug 2010 9 Feb 2011 |
| Bettie McDillon | Individual/Langverwacht | |
| Jan Tarentaal | Individual/Groenfontein | |
| Johannes Wagener | Individual/Gamka | |
| Adam Isaks | Individual/Uitvlugt | |
| Japaulus Cloete | Individual | |
| Mike Hewitt | Rooiberg South Conservancy | |
| Ernie Fourie | Agriculture | |

Ward 4

| Name of representative | Capacity/ entity representing | Meeting dates |
|------------------------|-------------------------------|----------------------------|
| Clr W Koenze | Chairperson | 21 Oct 2010 10 Feb 2011 |
| Hettie Weymar | Tourism | |
| Hennie Spamer | ATKV | |
| Colas Coetzee | Archery Club | |
| André Van der Vyver | Business Chamber | |
| Johan Strydom | Alan Blyth Hospital | |
| Hendrik Kotze | Individual | |
| Otto La Grange | Religion | |
| Stephanus Kotze | Alan Blyth Hospital | |

Ward 5

| Name of representative | Capacity/ entity representing | Meeting dates |
|------------------------|-------------------------------|---------------|
| Clr J Donson | Chairperson | 23 Aug 2010 |
| Bob Reinecke | Agriculture | |
| Heino Carolus | Individual | |
| Denswill Rademeyer | Youth Forum | |
| Cecile Links | Marius Fransman Day Care | |
| Anna Roodman | Women's League | |
| Gerald Jelandar | Small Farmers | |
| Frederick Plaatjies | Education | |
| Bianca Bell | Individual | |
| Mayreen Rademeyer | Individual | |
| Abraham Ayslie | Individual | |

PERFORMANCE HIGHLIGHTS

CHAPTER 2

2.1 PERFORMANCE IN TERMS OF THE NATIONAL KEY PERFORMANCE INDICATORS

| KPA & INDICATORS | | MUNICIPAL ACHIEVEMENT | |
|--|---|-----------------------|-----|
| (a) | Basic Service Delivery The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal | 2,572 % | |
| | (b) The percentage of households earning less than R1100 per month with access to free basic services | 21,072 % | |
| | (b) The percentage of a municipality's budget actually spent on implementing its workplace skills plan | | |
| Local economic development The number of jobs created through municipality's local, economic development initiatives including capital projects | | Calitzdorp | 128 |
| | | Ladismith | 157 |
| | | Zoar | 80 |
| | | Van Wyksdorp | 18 |

2.2 DEVELOPMENT PRIORITY AREAS

| Development Priorities | Challenges |
|------------------------|---|
| Human Settlements | Housing: low cost and middle income |
| Skills Development | Adult Basic and education Training Financial Accounting Computer Literacy Motor Vehicle Registration/Testing/E-Natis Human Resource Management Valuation Law Enforcement Labour Relations Fire Fighting Report Writing Performance Management Project Management Administration Conflict Management Change Management Client Services SAMRAS BB4 Health and Safety Life Skills Ward Committee SMME/BBE Public Participation Drivers Licence Road Traffic Management National Diploma: Human Settlement HIV/AIDS ABET Shop Steward Training Communication Skills Waste Treatment Sewerage Treatment Mechanical Engineering Electrical Training Plumbing Tarring of Roads |

2.3 BASIC SERVICES DELIVERY

Basic service delivery remains a challenge due to the high cost of infrastructure, infrastructure backlogs, the vast areas of the municipal area, the low revenue base, impoverished tax base and the rural nature of the area. Despite this, the municipality has managed to provide the following basic services:

2.3.1 Provision of free basic services per month per household

Electricity:

| Indigent Households | | | Non-indigent households | | | Households in Eskom areas | | |
|---------------------|--------------------------|-------------|-------------------------|--------------------------|-------------|---------------------------|--------------------------|-------------|
| Nr of households | Unit per household (kwh) | Value R'000 | Nr of households | Unit per household (kwh) | Value R'000 | Nr of households | Unit per household (kwh) | Value R'000 |
| 979 | 50kwh | R26 433 | 0 | 0kwh | R0.00 | 321 | 50kwh | R 9 309 |

Free services are only provided to indigent cases.

Water:

| Indigent Households | | | Non-indigent households | | |
|----------------------|-------------------------|-------------|-------------------------|--------------------|-------------|
| Number of households | Unit per household (kl) | Value R'000 | Number of households | Unit per household | Value R'000 |
| 1300 | 6kl | R22 100 | 0 | 0kl | R0.00 |

Sanitation:

| Indigent Households | | | Non-indigent households | | |
|----------------------|------------------------------|-------------|-------------------------|------------------------------|-------------|
| Number of households | Unit per household per month | Value R'000 | Number of households | Unit per household per month | Value R'000 |
| 1300 | 1 | R 123 500 | 0 | 0 | R0.00 |

Refuse removal:

| Indigent Households | | | Non-indigent households | | |
|----------------------|------------------------------|-------------|-------------------------|------------------------------|-------------|
| Number of households | Unit per household per month | Value R'000 | Number of households | Unit per household per month | Value R'000 |
| 1300 | 1 | R 104 000 | 0 | 0 | R0 |

2.3.2 Access to basic municipal services

Households gained access to basic services during the 2010/11 financial year

| Type of service | 2010/11 |
|-----------------|---|
| Housing | No houses could be built due to the DORA allocation withdrawn for the financial year. |
| Water | 6 |
| Sanitation | 2 |
| Refuse removal | 2 |
| Electricity | 9 |

2.3.3 Summary of backlogs that must still be addressed

| Area | Total nr of households affected | Timeframe to be addressed | Cost to address R'000 |
|---|---|---------------------------|-----------------------|
| Housing Housing CALITZDORP= 1050 LADISMITH 935 VAN WYKSDORP 190 ZOAR= 250 Water (on site) | 250 service plots are being planned for the development of Calitzdorp | 6 months | R 15 000 000 |
| Water (on site) | 133 | 4 years | |
| Sanitation | 164 | | |
| Electricity (in house) | 3081 | | |
| Streets and storm water | Barnard | | |

According to the water services development Plan for Kannaland (DWAF- 2011-2012) the access to water of Kannaland residents can be summarised as in the table below. Notably 133 households still do not have any access to the water network as opposed to the 13 885 who enjoy access:

| Water Priority | Water need description | Settle-ments | Population | Households |
|----------------|---|--------------|---------------|---------------|
| Definition 1 | No water services | 1 | 663 | 133 |
| Definition 2 | Inadequate RDP infrastructure need: Extension | 0 | 0 | 0 |
| Definition 3 | Inadequate RDP infrastructure need: Upgrade | 0 | 0 | 0 |
| Definition 4 | Inadequate RDP Resource Need | 0 | 0 | 0 |
| Definition 5 | Inadequate RDP Management: O & M | 0 | 0 | 0 |
| Definition 6 | Inadequate RDP Management Need: refurbishment | 0 | 0 | 0 |
| Definition 7 | Inadequate Housing: Interim Solutions | 3 | 190 | 50 |
| Definition 8 | Inadequate Housing: Permanent Solutions | 8 | 4100 | 1029 |
| Adequate | Stand Pipe | 0 | 0 | 0 |
| Adequate | Yard Connection | 0 | 0 | 0 |
| Adequate | House Connection | 9 | 21 250 | 13 885 |
| TOTALS | | 21 | 26 203 | 15 097 |

Sanitation

The sanitation needs of the Kannaland Municipal area can be summarised as follows:

| Water Priority | Water Need Description | Settlements | Population | Households |
|----------------|--|-------------|------------|------------|
| Definition 1 | No Sanitation | 1 | 650 | 164 |
| Definition 2 | Inadequate Infrastructure need: Upgrade to RDP level | 1 | 191 | 44 |
| | Bucket Program | 1 | 11 | 1 |

| | | | | |
|---------------|--|-----------|-------------|-------------|
| Definition 3 | Inadequate Infrastructure need: Upgrade | 0 | 0 | 0 |
| Definition 4 | Inadequate Resource Need | 0 | 0 | 0 |
| Definition 5 | Inadequate Management Need: O & M | 0 | 0 | 0 |
| Definition 6 | Inadequate RDP Management: Refurbishment | 0 | 0 | 0 |
| Definition 7 | Inadequate Housing: Interim Solutions | 3 | 190 | 50 |
| Adequate 8 | Inadequate Housing Permanent Solutions | 8 | 4100 | 1029 |
| Adequate | Non waterborne | 4 | 2106 | 426 |
| TOTALS | | 18 | 7248 | 1714 |

2.3.4 Capital budget spent on municipal services

The percentage (%) of the approved budget spent of each municipal service respectively for the 2008/09 2009/10 and 2010/11 financial years respectively are as follows:

| Financial Year | Housing | Water | Sanitation | Refuse Removal | Electricity | Streets & Storm Water | Community facilities |
|----------------|---------|-------|------------|----------------|-------------|-----------------------|----------------------|
| 2008/ 2009 | 0% | 43% | 0% | 0% | 0% | 77% | 0% |
| 2009/ 2010 | 100% | 0% | 0% | 0% | 34% | 100% | 0% |
| 2010/2011 | 0% | 0% | 0% | 0% | 42% | 74 % | 0% |

2.3.5 Spending on capital budget

| Fin year | % of Capital budget spent | Reasons for under spending |
|------------|---------------------------|---|
| 2008/ 2009 | 46% | Not all income and allocations realised |
| 2009/ 2010 | 83% | Electricity allocation was received towards end of financial year |
| 2010/11 | 39% | Not all income and allocations realised |

2.4 Housing

There are currently approximately 2425 housing units on the waiting list, including any informal settlement areas. A summary of houses built, includes:

| Fin year | Allocation R'000 | Amount spent R'000 | % spent | Number of houses built | Number of sites serviced |
|------------|------------------|--------------------|---------|------------------------|--------------------------|
| 2008/ 2009 | 3059000 | 0 | 0% | 0 | 0 |
| 2009/ 2010 | 3827000 | 3855463 | 100% | 64 | 64 |
| 2010/11 | 4551000 | 0 | 0% | 0 | 0 |